

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Financial Report

Year Ended June 30, 2013

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA

Wanda F. Arcement, CPA,CVA
Allen J. LaBry, CPA
Albert R. Leger, CPA,PFS,CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Kristin B. Dauzat, CPA
Matthew E. Margaglio, CPA
Jane R. Hebert, CPA
Bryan K. Joubert, CPA
Stephen J. Anderson, CPA
W. Jeffrey Lowry, CPA
Brad E. Kolder, CPA, JD
Casey L. Ardoin, CPA

Retired:
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

OFFICES

183 South Beadie Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddell St.
Marksville LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

INDEPENDENT AUDITORS' REPORT

WEB SITE
WWW.KCSRCPAS.COM

The Honorable Lonnie J. Greco, Sr.
Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Plaquemines Parish Sheriff, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major funds, and the aggregate remaining fund information of the Plaquemines Parish Sheriff, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 19 to the financial statements, in 2013, the Plaquemines Parish Sheriff adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 42 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plaquemines Parish Sheriff's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the

basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying affidavit is presented as mandated by the Louisiana Legislative Auditor, and is not a required part of the basic financial statements. The affidavit has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, on our consideration of the Plaquemines Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plaquemines Parish Sheriff's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
December 13, 2013

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Statement of Net Position
June 30, 2013

ASSETS

Current assets:

Cash and interest-bearing deposits	\$ 807,562
Investments	3,692,632
Due from other governmental units and others	9,598,413
Deferred charges	294,831
Prepaid items	<u>174,144</u>
Total current assets	<u>14,567,582</u>

Noncurrent assets:

Restricted assets -

Cash and interest-bearing deposits	13,689,429
Investments	1,759,505

Capital assets:

Construction in progress	95,478,678
Other capital assets, net of depreciation	<u>7,284,025</u>
Total noncurrent assets	<u>118,211,637</u>

Total assets	<u>132,779,219</u>
--------------	--------------------

DEFERRED OUTFLOWS OF RESOURCES

-

LIABILITIES

Current liabilities:

Accounts and other payables	1,415,806
Compensated absences payable	345,504
Accrued interest payable	226,989
Contracts payable	5,466,331
Retainage payable	4,191,523
Claims payable	485,366
Deferred revenue	2,286,468
Bonds payable	400,000
Community disaster loan	<u>712,845</u>
Total current liabilities	<u>15,530,832</u>

Noncurrent liabilities:

Community disaster loan	1,483,732
Postemployment benefit obligation payable	11,745,175
Bonds payable	<u>11,548,990</u>
Total noncurrent liabilities	<u>24,777,897</u>

Total liabilities	<u>40,308,729</u>
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DEFERRED INFLOWS OF RESOURCES

-

NET POSITION

Net investment in capital assets	99,202,624
Restricted	-
Unrestricted	<u>(6,732,134)</u>
Total net position	<u>\$92,470,490</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Statement of Activities
For the Year Ended June 30, 2013

Expenses:	
Public safety:	
Personal services and related benefits	\$ 15,074,307
Operating services	3,541,552
Operations and maintenance	4,867,686
Travel	3,904
Interest expense	<u>317,687</u>
Total expenses	<u>23,805,136</u>
Program revenues:	
Fines, forfeitures, and other fees	1,172,931
Federal grants	<u>49,973,512</u>
Total program revenues	<u>51,146,443</u>
Net program revenue	<u>27,341,307</u>
General revenues:	
Property taxes, levied for general purposes	17,183,676
State sources	1,376,181
Interest and investment earnings	12,184
Gain on sale of assets	17,228
Miscellaneous	<u>1,491,708</u>
Total general revenues	<u>20,080,977</u>
Change in net position	47,422,284
Beginning net position	<u>45,048,206</u>
Ending net position	<u>\$92,470,490</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTION - MAJOR FUNDS

MAJOR FUNDS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Capital Projects Fund - Katrina Projects

The Capital Projects Fund - Katrina Projects is used to account for the construction of a new permanent jail facility as well as other smaller construction projects.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Capital Projects Fund - Katrina Projects</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ 7,942,114	\$ 6,554,877	\$14,496,991
Investments	5,452,137	-	5,452,137
Receivables:			
Due from other governmental units and others	3,930,673	4,788,267	8,718,940
Due from other funds	78,174	-	78,174
Prepaid items	174,144	-	174,144
Total assets	<u>\$ 17,577,242</u>	<u>\$ 11,343,144</u>	<u>\$28,920,386</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 663,809	\$ 473,840	\$ 1,137,649
Contracts payable	-	5,466,331	5,466,331
Retainage payable	-	4,191,523	4,191,523
Claims payable	485,366	-	485,366
Deferred revenue	2,649,942	1,133,276	3,783,218
Due to other funds	-	78,174	78,174
Due to others	181,413	-	181,413
Due to employees	96,744	-	96,744
Total liabilities	<u>4,077,274</u>	<u>11,343,144</u>	<u>15,420,418</u>
Fund balance -			
Nonspendable	174,144	-	174,144
Restricted	8,615,900	-	8,615,900
Committed	-	-	-
Assigned	-	-	-
Unassigned	4,709,924	-	4,709,924
Total fund balance	<u>13,499,968</u>	<u>-</u>	<u>13,499,968</u>
Total liabilities and fund balance	<u>\$ 17,577,242</u>	<u>\$ 11,343,144</u>	<u>\$28,920,386</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2013

Total fund balance for governmental funds at June 30, 2013 \$ 13,499,968

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Construction in progress	\$ 95,478,678	
Buildings and improvements, net of \$456,435 accumulated depreciation	3,023,629	
Equipment and vehicles, net of \$7,993,572 accumulated depreciation	<u>4,260,396</u>	102,762,703

General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:

Bond payable	(11,830,000)	
Community disaster loan	(2,196,577)	
Net postemployment benefit obligation payable	(11,745,175)	
Bond premium, net of \$26,440 accumulated amortization	(118,990)	
Deferred charges, net of \$65,516 accumulated amortization	294,831	
Accrued interest payable	(226,989)	
Compensated absences payable	<u>(345,504)</u>	(26,168,404)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Federal grant (FEMA funds)	<u>2,376,223</u>
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Total net position of governmental activities at June 30, 2013 \$ 92,470,490

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2013

	<u>General</u>	<u>Capital Projects Fund - Katrina Projects</u>	<u>Total</u>
Revenues:			
Taxes	\$ 17,183,676	\$ -	\$17,183,676
Intergovernmental	3,321,291	46,814,837	50,136,128
Fees, charges, and commissions for services	1,172,931	-	1,172,931
Interest income	12,184	-	12,184
Miscellaneous	1,570,836	-	1,570,836
Total revenues	<u>23,260,918</u>	<u>46,814,837</u>	<u>70,075,755</u>
Expenditures:			
Current -			
Public safety	12,132,161	-	12,132,161
Operating services	3,541,552	-	3,541,552
Operations and maintenance	2,994,708	690,970	3,685,678
Travel	3,904	-	3,904
Debt service - principal	1,079,171	-	1,079,171
Debt service - interest	705,893	-	705,893
Capital outlay	4,044,191	45,897,399	49,941,590
Total expenditures	<u>24,501,580</u>	<u>46,588,369</u>	<u>71,089,949</u>
Excess (deficiency) of revenues over expenditures	<u>(1,240,662)</u>	<u>226,468</u>	<u>(1,014,194)</u>
Other financing sources (use):			
Transfers in	226,468	-	226,468
Transfers out	<u>-</u>	<u>(226,468)</u>	<u>(226,468)</u>
Total other financing sources (uses)	<u>226,468</u>	<u>(226,468)</u>	<u>-</u>
Net change in fund balance	(1,014,194)	-	(1,014,194)
Fund balance, beginning	<u>14,514,162</u>	<u>-</u>	<u>14,514,162</u>
Fund balance, ending	<u>\$ 13,499,968</u>	<u>\$ -</u>	<u>\$13,499,968</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2013

Total net change in fund balance at June 30, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$(1,014,194)
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The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$49,941,590	
Depreciation expense for the year ended June 30, 2013	<u>(1,159,396)</u>	48,782,194

The statement of net position presents capital assets under a different capitalization policy than capital outlays presented in the statement of revenues, expenditures, and changes in fund balance.	(12,843)
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Because governmental funds do not record fixed assets and accumulated <i>depreciation, any assets disposed of with no selling price do not affect the</i> statement of revenues, expenditures, and changes in fund balance. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated.	(61,900)
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Current year postemployment benefit obligation accrual	(2,596,642)
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Governmental funds record all debt activity in the Statement of Revenues,
Expenditures and Changes in Fund Balance whereas some of the debt
activity (ex: principal payments) is recorded in the Statement of Net Position.

Principal debt payments for the year ended June 30, 2013	\$ 1,079,171	
Accrued interest payable	388,206	
Amortization of bond premium	6,610	
Amortization of deferred charges	(16,379)	
Compensated absences payable	<u>(345,504)</u>	1,112,104

Revenues recognized in the Statement of Revenues, Expenditures, and Changes
in Fund Balance in fiscal year ended June 30, 2013 that were recognized in
fiscal year ended June 30, 2012 in the Statement of Activities:

Federal grant (FEMA funds)	<u>1,213,565</u>
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Total changes in net position at June 30, 2013 per Statement of Activities	<u>\$47,422,284</u>
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The accompanying notes are an integral part of the basic financial statements.

FUND DESCRIPTIONS - NONMAJOR FUNDS

FIDUCIARY FUNDS - AGENCY FUNDS

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary assets and liabilities.

Civil Fund

The Civil Fund was established to account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund

The Tax Collector Fund was established per Article V, Section 27 of the Louisiana Constitution of 1974, which provides that the sheriff will serve as the collector of state and parish taxes and fees. The Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Installment Fines Fund

The Installment Fines Fund is used to account for the collection of fines paid on an installment basis as authorized by the court. Transfers are made to the Bonds and Fines Fund when the fine has been completely collected and disposition is made by that fund.

Bonds and Fines Fund

The Bonds and Fines Fund is used to account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Prison Inmate Fund

The Prison Inmate Fund is used to account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

Plaquemines Parish Retired Employees' Insurance Fund (PREIF)

The Plaquemines Parish Retired Employees' Insurance Fund was created during the year ended June 30, 2013. This fund is being used to accumulate funds with the intention of using these funds to pay for retiree benefits that are being accrued under GASB 45. Because a trust was not established and some of the other criteria noted in GASB 45 was not met, these funds are not considered 'assets' for GASB 45 purposes and therefore, do not reduce the liability as noted on page 37.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2013

ASSETS	
Cash and cash equivalents	<u>\$ 7,447,160</u>
LIABILITIES	
Due to beneficiaries	\$ 291,149
Held for others pending court action	527,878
Held for inmates	29,881
Held for taxing bodies	<u>6,598,252</u>
Total liabilities	<u>\$ 7,447,160</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Plaquemines Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed below.

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, fines, costs, and bond forfeitures imposed by the district court.

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between program revenues of the Sheriff and the cost of the function. Program revenues are derived directly from Sheriff users as a fee for services. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements.

The various funds of the Sheriff are all classified as governmental. The emphasis on *fund financial statements* is on *major governmental funds*. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the Sheriff which are considered to be major funds are described below:

Governmental Funds –

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include state revenue sharing, state

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

Capital Projects Fund – Katrina Projects –

This capital projects fund is used to account for the construction of a new permanent jail facility as well as other smaller construction projects.

The following funds are nonmajor funds:

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The individual agency funds used by the Sheriff for the year ended June 30, 2013 are as follows:

Civil Fund - To account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund - Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Installment Fines Fund - To account for the collection of fines paid on an installment basis as authorized by the court. Transfers are made to the Bonds and Fines Fund when the fine has been completely collected and disposition is made by that fund.

Bonds and Fines Fund - To account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Prison Inmate Fund - To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Measurement Focus

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized as soon as they are both "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days, excluding the FEMA grant program. For the FEMA grant program, the government uses 12 months as the availability period. All other grant revenues are recognized in the same period as the underlying expenditures. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Sheriff.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

The accounting treatment for buildings, improvements and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to fixed assets. The Sheriff's threshold for capitalization is \$1,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The long-term debt consists of revenue bonds payable, community disaster loan and postemployment benefit obligation payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

Employees of the Sheriff's office earn from 10 to 25 days of vacation leave each year, depending on their length of service and earn 5 days of sick leave. Both vacation and sick leave must be taken in the calendar year it is earned. Therefore, at December 31 of each year, any unused days are lost. At June 30, 2013, the Sheriff had \$345,504 of accrued benefits.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

other governments; or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Sheriff. The Sheriff is the highest level of decision-making authority for the Sheriff's office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Sheriff.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's adopted policy, only the Sheriff may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

As of June 30, 2013, fund balances are composed of the following:

	General Fund	Capital Projects Fund - Katrina Projects	Total Governmental Funds
Nonspendable:			
Prepaid items	\$ 174,144	-	\$ 174,144
Restricted:			
Bond proceeds and sinking fund	8,615,900	-	8,615,900
Committed:	-	-	-
Assigned:	-	-	-
Unassigned:	4,709,924	-	4,709,924
Total fund balances	\$ 13,499,968	\$ -	\$ 13,499,968

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in its commitment or assignment actions.

E. Budget and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The chief administrative deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

adopted prior to the commencement of the fiscal year for which the budget is being adopted.

5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff.

F. Cash, Interest-Bearing Deposits and Investments

Cash, interest-bearing deposits and investments include amounts in demand deposits, time deposits, and interest-bearing securities invested with the Louisiana Asset Management Pool (LAMP), which are stated at cost. An investment in the amount of \$5,452,137 at June 30, 2013 is deposited in LAMP, a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2013, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$21,944,151 of which \$7,447,160 is attributable to nonmajor fiduciary funds, which are not presented in the statement of net assets.

These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to it. The Sheriff's policy, by state law, is that all deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2013, are secured as follows:

Bank balances	<u>\$ 22,824,108</u>
Federal deposit insurance	\$ 750,000
Uninsured and collateral held by pledging bank not in Sheriff's name	<u>22,074,108</u>
Total	<u>\$ 22,824,108</u>

(3) Investment

The Sheriff had only one investment on which GASB Statement No. 31 applied. This investment was an investment in LAMP. GASB Statement No. 31 requires that investments that fall within the definitions of said statement be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is also regulated by the Treasury of the State of Louisiana and fair value of the position in the pool is the same as the value of pool shares.

At June 30, 2013, the Sheriff's investment, at cost, is \$5,452,137. The amortized cost of this investment at June 30, 2013 was also \$5,452,137.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the taxing bodies in October and are actually billed to the taxpayers by the Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Plaquemines Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2013, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 16.45 mills on property with assessed valuations totaling \$977,850,411.

Total law enforcement taxes levied during 2013 were \$16,085,637. Taxes receivable in the General Fund at June 30, 2013 was \$34,332 and is presented as cash on the statement of net position because the funds were in the hands of the tax collector at June 30, 2013.

(5) Due From Other Governmental Units and Others

Amounts due from other governmental units at June 30, 2013 consist of the following:

Federal grants	\$ 9,127,332
State grants	76,009
Maintenance of prisoners - parish and state	31,230
Video poker	30,482
Other	<u>333,360</u>
	<u>\$ 9,598,413</u>

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance 07/01/12	Additions	Deletions	Balance 06/30/13
Governmental activities:				
Assets not being depreciated:				
Construction in progress	\$ 49,550,307	\$45,928,371	\$ -	\$ 95,478,678
Assets being depreciated:				
Buildings and improvements	1,500,735	1,979,329	-	3,480,064
Equipment and vehicles	11,068,305	2,021,047	(835,384)	12,253,968
Totals	<u>62,119,347</u>	<u>49,928,747</u>	<u>(835,384)</u>	<u>111,212,710</u>
Less accumulated depreciation:				
Buildings and improvements	(357,755)	(98,680)	-	(456,435)
Equipment and vehicles	(7,706,340)	(1,060,716)	773,484	(7,993,572)
Total accumulated depreciation	<u>(8,064,095)</u>	<u>(1,159,396)</u>	<u>773,484</u>	<u>(8,450,007)</u>
Governmental activities, capital assets, net	<u>\$ 54,055,252</u>	<u>\$48,769,351</u>	<u>\$ (61,900)</u>	<u>\$ 102,762,703</u>

Depreciation expense was charged to governmental activities as operations and maintenance in the amount of \$1,159,396.

(7) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2013:

Accounts	\$1,137,649
Due to employees	96,744
Due to others	<u>181,413</u>
Totals	<u>\$1,415,806</u>

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Long-Term Debt

The following is a summary of long-term debt transactions of the Sheriff for the year ended June 30, 2013:

Long-term debt, June 30, 2012	\$ 15,231,347
Debt assumed	-
Debt retired	<u>(1,085,780)</u>
Long-term debt, June 30, 2013	<u>\$ 14,145,567</u>

The General Fund has historically paid this debt.

\$3,163,271 Community Disaster Loan due at maturity of December, 2015; interest rate of 2.69 percent	\$ 2,196,577
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\$12,215,000 Series 2009 Limited Tax Bonds due in annual installments of \$385,000 to \$935,000; interest rates of 4.00 percent to 5.30 percent; full maturity at September, 2031, net of unamortized premium	<u>11,948,990</u>
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Total long-term debt	14,145,567
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Less: Current portion	<u>(1,112,845)</u>
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Net long-term portion	<u>\$ 13,032,722</u>
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PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 2013 are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,112,844	\$ 638,323	\$ 1,751,167
2015	1,147,020	602,847	1,749,867
2016	1,181,713	565,181	1,746,894
2017	450,000	525,160	975,160
2018	470,000	504,460	974,460
2019-2023	2,720,000	2,143,175	4,863,175
2024-2028	3,470,000	1,370,220	4,840,220
2029-2032	3,475,000	374,348	3,849,348
	14,026,577	6,723,714	20,750,291
Add: Unamortized premium	118,990	-	118,990
	<u>\$14,145,567</u>	<u>\$ 6,723,714</u>	<u>\$ 20,869,281</u>

(9) Pension Plan

Plan Description: The Plaquemines Parish Sheriff contributes to the Sheriff's Pension and Relief Fund, a cost-sharing multiple employer defined benefit pension plan administered by the Sheriff's Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriff's Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, P.O. Box 3163, Monroe, LA 71220.

Funding Policy: Plan members are required to contribute 10% of their annual covered salary and the Plaquemines Parish Sheriff is required to contribute at an actuarially determined rate. The rate was 12.5% of annual covered payroll. The contribution requirements of plan members and the Plaquemines Parish Sheriff are estimated and may be amended by the Sheriff's Pension and Relief Fund. The Plaquemines Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2013, 2012, and 2011 were \$2,003,395, \$2,202,924, and \$2,796,731, respectively.

(10) Risk Management

The Sheriff is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. Health care risk, auto and professional liability, and workers' compensation risk are handled by self-insurance plans, which are explained in the following paragraphs. Property hazards are handled by purchasing commercial insurance. There have been no significant reductions in this insurance coverage during the current fiscal year, nor have settlements exceeded coverage for the past three years.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

A. Health Care Liability

The Sheriff established a limited risk management program for group hospitalization insurance. The Sheriff hired Gulf South Risk Services, Inc. as administrator for this program. This plan provides employee health benefits up to a maximum of \$3,000,000 per employee in a lifetime. The Sheriff purchases commercial insurance for individual claims in excess of \$100,000.

The General Fund of the Sheriff recognizes the assets, liabilities, revenues and expenditures of the group hospitalization insurance plan. The claims liability of \$402,654 reported in the fund at June 30, 2013, is based on the loss that is probable to have existed at the date of the financial statements and the amount of the loss that can be reasonably reduced by estimated insurance reimbursements. The Sheriff currently does not discount its claims liabilities.

B. Auto Liability and Professional Liability

The Sheriff established a self-insurance plan to account for and finance its uninsured risk of loss, which is administered by Gallagher Basset Services. Under this plan, the Sheriff has a claims made policy with Coregis Insurance Company. The Sheriff is liable for claims up to \$100,000 per covered employee or dependent. There is no aggregate maximum for policy year ended September 2012. Effective October 1, 2012, the Sheriff joined an insured plan. Therefore, the Sheriff is only considered self-insured for auto and professional liability purposes through September 30, 2012. The liability for these claims is \$82,712 and is part of the claims payable balance at June 30, 2013.

C. Workers' Compensation

The Sheriff established a limited risk management program for workers' compensation. The Sheriff hired Gulf South Risk Services, Inc. as the administrator for this program. The Sheriff purchases commercial insurance for individual claims in excess of \$300,000. Incurred but not paid claims have been accrued as a component of claims payable.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

A reconciliation of changes in liabilities is as follows:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
Group hospitalization				
2011-2012	\$ 462,218	\$2,123,826	\$(2,222,426)	\$ 363,618
2012-2013	363,618	2,343,499	(2,304,463)	402,654
Auto & Professional				
2011-2012	289,061	34,404	(204,113)	119,352
2012-2013	119,352	4,978	(41,618)	82,712
Workers' Compensation				
2011-2012	95,712	79,341	(149,680)	25,373
2012-2013	25,373	22,817	(48,190)	-

Claims payable for group hospitalization of \$402,654 at June 30, 2013 was determined as follows:

1. Claims incurred prior to June 30, 2013 and paid subsequently	\$ 280,693
2. Provision for claims incurred but not reported	146,228
3. Health insurance receivable	<u>(24,267)</u>
Total claims payable	<u>\$ 402,654</u>

The provision for claims incurred but not reported was estimated at June 30, 2013 based on historical information.

Claims payable for auto and professional liability and for workers' compensation is based on information provided by a third party administrator.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(11) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others and due to prisoners follows:

	Civil Fund	Tax Collector Fund	Installment Fines Fund	Bonds and Fines Fund	Prison Inmate Fund	PREIF
Balances, June 30, 2012	\$ 20,273	\$ 17,404,497	\$ 279,557	\$ 201,779	\$ 28,822	\$ -
Additions	996,365	62,037,597	119,047	1,354,297	76,725	291,149
Deletions	(985,023)	(72,843,842)	(140,982)	(1,317,435)	(75,666)	-
Balances, June 30, 2013	<u>\$ 31,615</u>	<u>\$ 6,598,252</u>	<u>\$ 257,622</u>	<u>\$ 238,641</u>	<u>\$ 29,881</u>	<u>\$291,149</u>

(12) Operating Leases

Rental expense for the year ended June 30, 2013 was \$58,018. The Sheriff had the following outstanding lease agreement at June 30, 2013:

Description	Term	Expiration Date	Monthly Lease Amount
Postage meter	5 Years	11/13	\$ 231

The minimum future payments for these arrangements are as follows:

<u>Year Ended June 30,</u>	
2014	<u>1,155</u>
Total	<u>\$ 1,155</u>

(13) Commitments and Contingencies

A. Contingent Liabilities

At June 30, 2013, the Sheriff is involved in several lawsuits claiming damages. Many of the claims are covered by the self-insured plan and are addressed in Note (10), part B. As such, no additional accrual was needed at June 30, 2013. Other claims have either had long periods of inactivity or are premature for estimation of possible loss. Therefore, no accrual has been recorded for these claims.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

1. Grant Audit

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. A receivable of \$8,241,327 is included in due from other governmental units. This balance represents the amount expected to be reimbursed by the FEMA Public Assistance Grant for expenditures incurred in years ended June 30, 2006 through June 30, 2013.

The Office of Inspector General (OIG) conducted an interim review of public assistance funds awarded to the sheriff's department. The objective of the review was to determine whether the sheriff's department expended and accounted for FEMA funds according to federal and FEMA guidelines. Although the review cited several deficiencies, there was only one of monetary significance. This deficiency related to thirty-one (31) mobile homes that were purchased but not occupied. The OIG recommended disallowance of approximately one million (\$1,000,000) dollars as it relates to these mobile homes. Management disagrees with this finding. There were twenty-one (21) mobile homes that were unoccupied and therefore returned to the vendor for a credit of approximately \$450,000. The sheriff's department has made no provision in its financial statements as it relates to the recommended disallowed costs.

2. Deferred Revenue

The Sheriff's Department purchased approximately one hundred thirty (130) trailer units after Hurricane Katrina. These units were used for temporary housing of employees. The cost for these units was reimbursed to the Sheriff by FEMA. During fiscal year ended June 30, 2007, the Sheriff determined that he no longer needed approximately seventy (70) trailer units. Therefore, the Sheriff sold these units for a total of \$791,250, less a commission of \$79,125, for a net amount of \$712,125. The Sheriff sold 45 units during fiscal year ended June 30, 2008 for a total of \$492,000, less a commission and fees of \$50,935, for a net amount of \$441,065. There is some uncertainty as to whether or not the Sheriff will have to reimburse all or a portion of these funds back to FEMA. Therefore, the Sheriff has recorded the \$1,153,190 as deferred revenue at June 30, 2013.

3. Unpaid Expenditures

The Sheriff's Department entered into a contract for project management work in reference to two FEMA projects. There has been some confusion over the scope of services provided. FEMA is currently analyzing all of the charges to determine what amount will be allowed/reimbursed. The Sheriff's office has unpaid invoices in the amount of approximately \$1,200,000. They are of the opinion that they will not be responsible for most of these charges. In approximately October of 2013, a settlement was offered in the amount of \$90,000. Management thinks it's probable that this amount will be accepted. Therefore, a liability of \$90,000 has been recorded at June 30, 2013 and is included in accounts and other payables.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(14) Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's office is located in a Parish Government building. The cost of maintaining and operating the parish building, as required by statute, is paid by the Plaquemines Parish Council. These expenditures are not included in the accompanying financial statements.

(15) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2013:

	<u>Receivables</u>	<u>Payables</u>
Major funds		
Governmental Funds:		
General Fund	\$ 78,174	\$ -
Capital Projects Fund - Katrina Projects	<u>-</u>	<u>78,174</u>
Total	<u>\$ 78,174</u>	<u>\$ 78,174</u>

Interfund receivables and payables are related to administrative fees received related to a federal award.

B. Interfund Transfers

Interfund transfers consisted of the following at June 30, 2013:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds		
Governmental Funds:		
General Fund	\$ 226,468	\$ -
Capital Projects Fund - Katrina Projects	<u>-</u>	<u>226,468</u>
Total	<u>\$ 226,468</u>	<u>\$ 226,468</u>

Transfers were made to transfer administrative fees received related to a federal award.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(16) Post-Retirement Health Care and Life Insurance Benefits

Plan Description. The Plaquemines Parish Sheriff's Office's medical and life insurance benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree. Retirees pay \$150 per month for dependent coverage prior to Medicare eligibility and \$39.20 per month for Medicare dependents. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 15 years of service. At least 12 years of service with Plaquemines Parish Sheriff's Office is required for retiree medical benefits.

Life insurance coverage is continued for retirees and the blended rate for active employees and retirees is \$0.499 per \$1,000 of insurance. The employer pays for 100% of the retiree's life insurance after retirement. However, the rates are based on the blended active/retired rate and there is thus an implicit subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until Fiscal Year Ending June 30, 2008, the Plaquemines Parish Sheriff's Office recognized the cost of providing post-employment benefits (the Plaquemines Parish Sheriff's Office's portion of the retiree benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning July 1, 2008, the Plaquemines Parish Sheriff's Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In Fiscal Year Ending June 30, 2013, the Plaquemines Parish Sheriff's Office's portion of health care funding cost for retired employees totaled \$607,652. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table below.

Annual Required Contribution. The Plaquemines Parish Sheriff's Office's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2012 is \$3,367,413, as set forth below:

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Normal cost	\$ 1,554,684
30 year UAL amortization amount	<u>1,812,729</u>
Annual required contribution (ARC)	<u>\$ 3,367,413</u>

Net Post-employment Benefit Obligation (Asset). The table below shows the Plaquemines Parish Sheriff's Office's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2013:

Beginning net OPEB obligation	<u>\$ 9,148,534</u>
Annual required contribution	3,367,413
Interest on net OPEB obligation	365,941
ARC adjustment	<u>(529,061)</u>
OPEB cost	3,204,293
Contribution	-
Current year retiree premium	<u>(607,652)</u>
Change in net OPEB obligation	<u>2,596,641</u>
Ending net OPEB obligation	<u>\$ 11,745,175</u>

The following table shows the Plaquemines Parish Sheriff's Office's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2011	2,149,039	16.22%	1,800,563
6/30/2012	3,120,383	18.03%	2,557,743
6/30/2013	3,204,293	18.96%	2,596,641

Funded Status and Funding Progress. In the fiscal year ending June 30, 2013, the Plaquemines Parish Sheriff's Office made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2011, the most recent valuation, the Actuarial Accrued Liability (AAL) was \$30,140,122, which is defined as that portion, as determined by a particular actuarial cost method (the Plaquemines Parish Sheriff's Office uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2011/2012, the entire actuarial accrued liability of \$31,345,727 was unfunded.

Actuarial accrued liability (AAL)	\$ 31,345,727
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 31,345,727</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 9,816,907
UAAL as a percentage of covered payroll	319.30%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Plaquemines Parish Sheriff's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Plaquemines Parish Sheriff's Office and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Plaquemines Parish Sheriff's Office and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. There are no plan assets. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18-25	20.0%
26-40	12.0%
41-54	8.0%
55+	6.0%

Post employment Benefit Plan Eligibility Requirements. We have assumed that employees retire three years after the earliest eligibility to retire. Medical benefits are provided to employees upon actual retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 15 years of service. At least 12 years of service with Plaquemines Parish Sheriff's Office is required for retiree medical benefits. Entitlements to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the rate of return used in the course of its financial activity.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which the Internal Revenue Service has used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the medical cost after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The same tier coverage (employee only, family, etc.) has been assumed after retirement as that while active immediately before retirement. The employer pays 100% of the cost of the medical benefits for the retiree. Retirees pay \$150 per month for dependent coverage prior to Medicare eligibility and

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

\$39.20 per month for Medicare dependents. The medical rates provided are "blended" rates for active and retired prior to Medicare eligibility. We have therefore estimated the total "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility and 80% after Medicare eligibility.

(17) Ex-officio Tax Collector

The amount of cash on hand at year end was \$6,598,252. The amount of taxes collected by taxing authority was:

Plaquemines Parish Government	\$ 14,588,779
Plaquemines Parish School Board	23,505,700
Plaquemines Parish Assessor	1,155,539
Plaquemines Parish Hospital Service Districts	5,122,877
Plaquemines Parish Law Enforcement	15,840,513
Louisiana Tax Commission	26,976
	<u>\$ 60,240,384</u>

The amount of taxes assessed and uncollected, and the reason for failure to do so is as follows:

	LTC Decreases	No Property Found	Unpaid
Plaquemines Parish Government	\$ 51,958	\$ 201	\$ 177,711
Plaquemines Parish School Board	83,717	323	286,332
Plaquemines Parish Assessor	4,116	16	14,076
Plaquemines Parish Hospital Service Districts	18,246	70	62,404
Plaquemines Parish Law Enforcement	56,417	218	192,960
Louisiana Tax Commission	-	-	18
	<u>\$ 214,454</u>	<u>\$ 828</u>	<u>\$ 733,501</u>

The amount of occupational licenses collected by taxing authority was:

Plaquemines Parish Government	\$ 775,661
Plaquemines Parish Law Enforcement	139,097
	<u>\$ 914,758</u>

(18) Subsequent Events

Subsequent events have been evaluated through December 13, 2013, the date of the financial statement issuance.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(19) New Accounting Pronouncements

During the fiscal year ended June 30, 2013, the Sheriff adopted GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The provisions of GASB Nos. 65 must be implemented by the Sheriff for the year ending June 30, 2014. The effect of implementation on the Sheriff's financial statements has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 14,500,000	\$ 17,100,000	\$ 17,183,676	\$ 83,676
Intergovernmental	3,073,000	1,545,948	3,321,291	1,775,343
Fees, charges, and commissions for services	916,100	951,345	1,172,931	221,586
Interest Income	12,000	8,500	12,184	3,684
Miscellaneous	977,550	1,270,235	1,570,836	300,601
Total revenues	<u>19,478,650</u>	<u>20,876,028</u>	<u>23,260,918</u>	<u>2,384,890</u>
Expenditures:				
Current:				
Public safety -				
Personal services and related benefits	10,774,100	12,141,078	12,132,161	8,917
Operating services	3,461,600	3,034,256	3,541,552	(507,296)
Operations and maintenance	2,987,150	2,799,142	2,994,708	(195,566)
Travel	10,000	6,000	3,904	2,096
Debt service	1,781,867	1,785,064	1,785,064	-
Capital outlay	130,000	3,967,828	4,044,191	(76,363)
Total expenditures	<u>19,144,717</u>	<u>23,733,368</u>	<u>24,501,580</u>	<u>(768,212)</u>
Excess (deficiency) of revenues over expenditures	<u>333,933</u>	<u>(2,857,340)</u>	<u>(1,240,662)</u>	<u>1,616,678</u>
Other financing sources (uses):				
Bond sale proceeds	-	3,370,327	-	(3,370,327)
Transfers in	-	-	226,468	226,468
Total other financing sources (uses)	<u>-</u>	<u>3,370,327</u>	<u>226,468</u>	<u>(3,143,859)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>333,933</u>	<u>512,987</u>	<u>(1,014,194)</u>	<u>(1,527,181)</u>
Fund balance, beginning	<u>13,642,411</u>	<u>14,514,162</u>	<u>14,514,162</u>	<u>-</u>
Fund balance, ending	<u>\$ 13,976,344</u>	<u>\$ 15,027,149</u>	<u>\$ 13,499,968</u>	<u>\$ (1,527,181)</u>

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes:				
Ad valorem	\$ 14,500,000	\$17,100,000	\$17,183,676	\$ 83,676
Intergovernmental:				
Federal grants	1,700,000	250,000	1,945,110	1,695,110
Refuge revenue sharing (payment in lieu)	2,500	2,500	6,475	3,975
State of Louisiana -				
Revenue sharing	220,000	223,785	223,784	(1)
Poker machines	220,000	225,000	227,640	2,640
Supplemental pay	780,000	720,000	702,920	(17,080)
Grants	150,500	124,663	215,362	90,699
Total intergovernmental	3,073,000	1,545,948	3,321,291	1,775,343
Fees, charges, and commissions for services:				
Feeding and keeping prisoners	240,100	212,075	213,577	1,502
Civil and criminal fees	505,000	508,270	638,327	130,057
Reimbursements from parish council	140,000	199,000	258,045	59,045
Commissary sales commissions	11,000	12,000	13,880	1,880
Witness fees	20,000	20,000	49,102	29,102
Total fees, charges, and commissions for services	916,100	951,345	1,172,931	221,586
Interest income	12,000	8,500	12,184	3,684
Miscellaneous:				
Contraband	50,000	3,311	4,218	907
Sale of assets	25,000	12,850	29,525	16,675
Miscellaneous	901,550	1,136,688	1,132,783	(3,905)
Insurance settlements	-	-	262,130	262,130
Donations	1,000	117,386	142,180	24,794
Total miscellaneous	977,550	1,270,235	1,570,836	300,601
Total revenues	\$ 19,478,650	\$20,876,028	\$23,260,918	\$ 2,384,890

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Current:				
Public Safety -				
Personal services and related benefits:				
Sheriff's salary and expense allowance	142,500	143,398	143,398	-
Deputies' salaries	8,300,000	9,700,000	9,712,932	(12,932)
Pension and payroll taxes	2,331,600	2,297,680	2,275,831	21,849
Total personnel service and related benefits	10,774,100	12,141,078	12,132,161	8,917
Operating services:				
Hospitalization insurance	2,350,000	2,095,000	2,122,304	(27,304)
Hospitalization reinsurance/admin. fee	-	-	491,328	(491,328)
Life insurance	160,000	182,000	158,292	23,708
Auto insurance	400,000	278,000	276,354	1,646
Deputy liability insurance	195,000	256,000	252,849	3,151
Other liability insurance	356,600	223,256	240,425	(17,169)
Total operating services	3,461,600	3,034,256	3,541,552	(507,296)
Operations and maintenance:				
Auto fuel and oil	910,000	731,000	750,728	(19,728)
Auto maintenance	375,000	250,000	257,132	(7,132)
Deputy uniforms, supplies, etc.	128,000	270,650	249,856	20,794
Office supplies and expenses	69,000	67,000	253,185	(186,185)
Recordation expenses	-	-	12,332	(12,332)
Leases and rentals	112,000	60,000	58,018	1,982
Utilities	80,000	63,000	67,475	(4,475)
Commissary	-	-	7	(7)
Telephone	125,000	105,000	122,993	(17,993)
Prisoner feeding and maintenance	195,500	219,150	220,492	(1,342)
Legal fees	10,000	15,000	17,739	(2,739)
Other professional fees	485,000	184,423	200,171	(15,748)
Emergency funds/hurricane expenses	10,000	413,969	479,072	(65,103)
Criminal investigation expense	50,000	35,000	35,229	(229)
Equipment maintenance	296,000	263,000	127,214	135,786
Boat and computer maintenance	85,000	70,000	76,373	(6,373)
Witness fees	4,000	2,000	1,200	800
Membership dues	34,000	42,000	41,194	806
Other	18,650	7,950	24,298	(16,348)
Total operations and maintenance	2,987,150	2,799,142	2,994,708	(195,566)

(continued)

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Travel	<u>10,000</u>	<u>6,000</u>	<u>3,904</u>	<u>2,096</u>
Debt service:				
Interest	<u>702,696</u>	<u>705,893</u>	<u>705,893</u>	<u>-</u>
Bond principal payments	<u>1,079,171</u>	<u>1,079,171</u>	<u>1,079,171</u>	<u>-</u>
Total debt service	<u>1,781,867</u>	<u>1,785,064</u>	<u>1,785,064</u>	<u>-</u>
Capital outlay:				
Equipment	<u>130,000</u>	<u>3,967,828</u>	<u>4,044,191</u>	<u>(76,363)</u>
Total capital outlay	<u>130,000</u>	<u>3,967,828</u>	<u>4,044,191</u>	<u>(76,363)</u>
Total expenditures	<u>\$19,144,717</u>	<u>\$23,733,368</u>	<u>\$24,501,580</u>	<u>\$ (768,212)</u>

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Schedule of Funding Progress
For the Year Ended June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2009	-	19,147,310	19,147,310	0.0%	8,487,491	226%
July 1, 2011	-	30,140,122	30,140,122	0.0%	11,388,325	265%

OTHER SUPPLEMENTARY INFORMATION

STATE OF LOUISIANA, PARISH OF PLAQUEMINES

AFFIDAVIT

Lonnie Greco, Sheriff of Plaquemines

BEFORE ME, the undersigned authority, personally came and appeared, Lonnie Greco, the sheriff of Plaquemines Parish, State of Louisiana, who after being duly sworn, deposed and said:


The following information is true and correct:

\$6,598,252 is the amount of cash on hand in the tax collector account on June 30, 2013;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2012, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.


Signature
Sheriff of Plaquemines

SWORN to and subscribed before me, Notary, this 18 day of October 2013,
in my office in the Belle Chasse, Louisiana.
(City/Town)

Valerie Ingraham (Signature)
Valerie Ingraham (Print), # 81363
Notary Public

(Commission)

**INTERNAL CONTROL
COMPLIANCE
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Penny Angelle Scroggins, CPA
Christine C. Doucet, CPA

Wanda F. Arcement, CPA,CVA
Allen J. LaBry, CPA
Albert R. Leger, CPA,PFS,CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®**
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Kristin B. Dauzat, CPA
Matthew E. Margaglio, CPA
Jane R. Hebert, CPA
Bryan K. Joubert, CPA
Stephen J. Anderson, CPA
W. Jeffrey Lowry, CPA
Brad E. Kolder, CPA, JD
Casey L. Ardoin, CPA

Retired:
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Lonnie J. Greco, Sr.
Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Plaquemines Parish Sheriff, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Plaquemines Parish Sheriff's basic financial statements, and have issued our report thereon dated December 13, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plaquemines Parish Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plaquemines Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plaquemines Parish Sheriff's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, questioned costs, and management's corrective action plan, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider

the deficiencies described in the accompanying schedule of findings, questioned costs, and management's corrective action plan as items 13-1 and 13-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plaquemines Parish Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Plaquemine Parish Sheriff's Response to Findings

The Plaquemines Parish Sheriff's response to the findings identified in our audit is described in the accompanying schedule of findings, questioned costs, and management's corrective action plan. The Plaquemine Parish Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
December 13, 2013

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA

Wanda F. Arcement, CPA, CVA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Kristin B. Dauzat, CPA
Matthew E. Margaglio, CPA
Jane R. Hebert, CPA
Bryan K. Joubert, CPA
Stephen J. Anderson, CPA
W. Jeffrey Lowry, CPA
Brad E. Kolder, CPA, JD
Casey L. Ardoin, CPA

Retired:
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Lonnie J. Greco, Sr.
Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Report on Compliance for the Major Federal Program

We have audited the Plaquemines Parish Sheriff's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Plaquemines Parish Sheriff's major federal program for the year ended June 30, 2013. The Plaquemines Parish Sheriff's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings, questioned costs, and management's corrective action plan.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on the Plaquemines Parish Sheriff's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Plaquemines Parish Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Plaquemines Parish Sheriff's compliance.

Opinion on the Major Federal Program

In our opinion, the Plaquemines Parish Sheriff, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

Internal Control Over Compliance

Management of the Plaquemines Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Plaquemines Parish Sheriff's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Plaquemines Parish Sheriff's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
December 13, 2013

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Plaquemines Parish Sheriff (the Sheriff). The Sheriff's reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2013. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The major program is identified with an asterisk (*) on the schedule.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Sheriff's basic financial statements for the year ended June 30, 2013.

(3) Relationship to Fund Financial Statements

Federal financial assistance revenues are reported in the Sheriff's fund financial statements as follows:

General Fund - Revenue	\$ 1,945,110
Capital Projects Fund - Revenue	<u>46,814,837</u>
Total	<u>\$48,759,947</u>

(4) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Name/Grant Name</u>	<u>Pass-through Identifying Number</u>	<u>CFDA Number</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>United States Department of Homeland Security</u>				
Passed through Louisiana Office of Homeland Security and Emergency Preparedness -				
Disaster Grants - Public Assistance *	**	97.036	\$48,410,912	\$48,060,340
Homeland Security Grant Program	2011-SS-00124-501	97.067	13,482	13,482
Passed through Lower Mississippi River Port Wide Strategic Security Council -				
Port Security Grant Program	2008-GB-T8-K0839	97.056	283,537	283,537
Total United States Department of Homeland Security			48,707,931	48,357,359
<u>United States Department of Transportation</u>				
Passed through Louisiana Highway Safety Commission -				
State and Community Highway Safety	2012307801	20.600	2,152	2,152
<u>United States Department of Justice</u>				
Passed through Louisiana Commission on Law Enforcement -				
Edward Byrne Memorial Justice Assistant Grant Program/Street Sales Crime Victim Assistance	B10-7-011E01	16.738	19,042	19,042
Bulletproof Vest Partnership Program	C11-7-026-E01 **	16.575 16.607	23,246 7,576	23,246 7,576
Total United States Department of Justice			49,864	49,864
Total			\$48,759,947	\$48,409,375

* - Denotes major program

** - Not readily accessible

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan
For the Year Ended June 30, 2013

Part I: Summary of Auditor's Results:

1. An unmodified opinion was issued on the financial statements.
2. *There were two significant deficiencies in internal control disclosed by the audit of the financial statements. Both of the deficiencies were reported as material weaknesses.*
3. No instances of material noncompliance were disclosed.
4. No significant deficiencies in internal control over the major program were disclosed by the audit of the financial statements.
5. An unmodified opinion was issued on compliance for the major program.
6. The audit disclosed no audit findings required to be reported under Section 510 (a) of Circular A-133.
7. The major program was:
U.S. Dept. of Homeland Security: Disaster Grants - Public Assistance
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$1,452,281.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

13-1- Inadequate Segregation of Accounting Functions

Condition and Criteria:

The Sheriff's department did not have adequate segregation of functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Sheriff's department.

Cause:

The condition resulted because of the small number of employees in the accounting department.

(continued)

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
For the Year Ended June 30, 2013

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Sheriff Lonnie J. Greco, Sr. decided that it is not cost effective to achieve adequate segregation of accounting duties. No plan is considered necessary.

13-2 – Inadequate Controls over Financial Statement Preparation

Condition and Criteria:

The Sheriff's department does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements.

Effect:

This condition represents a material weakness in the internal control of the Sheriff's department.

Cause:

The condition resulted because Sheriff's department personnel do not have the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

Recommendation:

The Sheriff's department should consider outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management's Corrective Action Plan:

Sheriff Lonnie J. Greco, Sr. has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

(continued)

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
For the Year Ended June 30, 2013

Part III: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings and questioned costs at June 30, 2013.

Part IV: Management Letter Items:

There are no management letter items at June 30, 2013.

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Prior Audit Findings
For the Year Ended June 30, 2013

Section I: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

12-1 – Inadequate Segregation of Accounting Functions

Finding:

The Sheriff's department did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 13-1.

12-2 – Inadequate Controls over Financial Statement Preparation

Finding:

The Sheriff's department does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements.

Status:

Unresolved. See item 13-2.

Section II: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no findings or questioned costs at June 30, 2012.

Section III: Management Letter Items:

There were no management items at June 30, 2012.